

# OBSERVATIONS

On the State of

GOLD and SILVER

IN

Great - Britain,

Both in COIN and BULLION;

And the REASON why so little has been Coined at His Majesty's Mint, with a Method for Encouraging the Coinage and keeping it within due Bounds.



It is too notorious that, for some Years past, there has been very little *Gold*, and hardly any *Silver*, but what has been forced thither, carried to the Mint to be coin'd; The Want of which (especially *Silver*) has been very detrimental to the *Trade* of His Majesty's Subjects, and would have been much more felt, had it not been for the VAST CIRCULATION of *Paper Credit*, which has in some Measure supplied the Want of it, for large Sums, People chusing rather to take it, than be at the Trouble of telling over the Money or taking *Foreign Coin*, which they do not so well understand; And it is much to be feared, that if we continue to go on in the present Manner, we shall, too soon, be left to a *Paper Credit* without Money to circulate it.

The Price given for *Gold* at His Majesty's Mint is 3*l.* 18*s.* per Ounce, and the Price of *Silver* 5*s.* 2*d.* per Ounce; So that whenever *Gold* or *Silver*, of the same Standard, will sell for more than the Mint Price, there is a Profit to be made by melting down, or exporting our Coin, and a Loss in carrying *Foreign Coin* or *Bullion* to the Mint to be coined. The Price of *Foreign Gold* in Coin and Bars was, not long since, at 3*l.* 19*s.* an Ounce, which hinder'd the Coinage of *Gold*; But it being lately fallen to 3*l.* 18*s.* some *Gold* has been carried to the Mint. And the Price of *Silver* in *Foreign Coin* and *Bullion* is now 5*s.* 5*d.* an Ounce, which is 3*d.* an Ounce more than the Mint Price, and, without Doubt, this is the true Reason why so little has been coin'd; For, as the Matter now stands, whoever carries *Silver* in *Bullion* or *Foreign Coin* to the Mint, must be a Loser thereby, because he can sell it for 3*d.* an Ounce more than he can have it coin'd into, without waiting for it's being coin'd; Therefore, it cannot reasonably be supposed, any Person will voluntarily carry either *Gold* or *Silver* to the Mint to be coin'd, if he can find a better Market. Nor can it be expected we shall keep what we have left, while there is an Advantage to be made by melting or exporting it.

The Price of *Foreign Coin* and *Bullion* being above what it is in our own Coin, is not only a Hindrance to the Coinage, but a Loss to the Nation: For, if we take an Ounce of *Foreign Silver* at a higher Price than what our own is coin'd at, Foreigners can buy our Goods, and pay their Debts to us, with a less Quantity of *Silver*.



*Silver*, in *Foreign Coin* or *Bullion*, than they can in our own *Coin*, which keeps our *Coin*, already exported, from being brought home, And may, in Time, entirely drain us of our Money, only by exchanging their *Coin* or *Bullion* for our *Coin*, which is only giving them a greater Quantity of *Silver* for a less.

The Exchange with Foreigners is so much the more against us, as *Foreign Coin* is above the Price of our own *Coin*, on that Account; Because the Merchant that furnishes the Bill, must be allowed the Price of *Foreign-Silver* here, which he must send over to answer it, if he has not Money there; Whereby, it plainly appears, that if the Price of *exportable Silver* was Five per Cent. lower here, the Merchant would receive Five per Cent more abroad for his Bill.

*Silver* being the Medium of Trade and Commerce, the Prices of all Commodities will be subject to continual Variations, according to the *Plenty* or *Scarcity*, and the *Demand* there is for them: And *Gold* being only a Commodity, and subject to vary, in Proportion to *Silver*, if left at *Liberty*, it will find its true Value, and always be so near a PAR with our Neighbours, that it will never be worth any Body's While to make an Advantage of us, by exchanging *Gold* for *Silver*.

The Cause of this Difference, between the Price of *Gold* and *Silver* in our own *Coin*, and in *Bullion*, or *Foreign-Coin*, can be attributed to nothing else, but the RESTRAINT which is laid on the Exportation of our own *Coin*, and the LIBERTY which is given to export *Foreign-Coin* or *Bullion*; which must naturally make *Foreign-Coin* and *Bullion* bear a greater Price than what is given at His Majesty's Mint, whenever there is a Necessity to export *Silver* or *Gold* to pay the Balance of our Trade with other Nations; For, if a greater Value of Goods are imported from any Nation than our Exports thither will pay for, the Balance must be made good in *Gold* or *Silver*, which they will take, only according to its Weight and Fineness, whether it be in our own *Coin*, *Foreign-Coin*, or *Bullion*, without having any Regard to what we call it.

Hence it is plain, to a Demonstration, that if the PROHIBITION be taken off from the Exportation of our own *Coin*, and FULL LIBERTY given to export it, in the same Manner as *Foreign-Coin* and *Bullion*, the Prices of *Gold* and *Silver*, in *Foreign-Coin*, and *Bullion* will necessarily fall, as low, or lower, than what they are in our own *Coin*; The natural Consequences of which must be, not only, the RETURN of our own *Coin*, now wandering in Foreign Countries, but great Quantities of *Foreign-Coin* and *Bullion* would be then carried to the Mint and coin'd, which would circulate in Trade, the Owner being then able to make Interest of it, whereas the Owner of *Foreign Coin*, or *Bullion*, must pay Interest for Money he may have Occasion to borrow thereon; Which Consideration alone, will be a great Encouragement to the Coinage, and keep it among us when coin'd: And when a sufficient Quantity is coin'd, the Master of the Mint may buy *Foreign-Coin*, or *Bullion*, at a lower Price than what it is coin'd at, which will help pay for the Coinage, and coin either *Gold* or *Silver* as there shall be Occasion; and it can never be worth any Man's While to melt down or export it, because he will then be able to get *Foreign-Coin* or *Bullion*, as cheap, if not cheaper, while there is any Quantity in the Nation uncoined, neither can there be any Fear of Loss by coining it.

By this Means, we cannot fail of having a Plenty of our own Species (especially *Silver*) which will be the best Support of Publick Credit, and keep the Interest of Money low; whereby the Government may much sooner be able to discharge the heavy Debts of the Nation, take off the Taxes which are most burthensome and discouraging to our Trade and Manufactures, our Poor will be employ'd, the Publick Revenues increased, and the Balance of Trade in our Favour; which will effectually secure us against the Attempts of our Enemies, both at Home and Abroad, and make us a flourishing and happy People, under the Auspices of His most Gracious Majesty, and His August Family.